

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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IN TWO SECTIONS

WASHINGTON, D. C.

SECTION I

JANUARY 11, 1937

Recovery Picture Is Blurred by Strikes

Widespread Tieup Feared as Walkouts Threaten in Many Leading Industries

COLLECTIVE BARGAINING UP

Lewis Group Pushes Unionization Campaign in Number of Mass-Production Lines

The first week of the new year found the nation worried by labor troubles. About 100 strikes were in progress, and others were threatened. One major disturbance, the seamen's strike on the Pacific Coast, was unsettled after having run on for several months, and a dispute between employers and workers seemed at the point of tying up the big automobile industry.

It is not surprising, of course, that the country should experience a wave of strikes just at this time. There always have been labor troubles during periods of recovery. When times are very bad, labor lies low. The workers endure low wages and unsatisfactory conditions. They are afraid to strike because there are too many unemployed waiting to take their jobs. Besides, they know that the owners of industry are in many cases making so little that they cannot afford to do any better by their men. But when times begin to look up, the labor situation changes. Employers are then making money. The owners of industry are paying out heavy dividends. The men know this, and they want a larger share of the profits. There are also fewer men unemployed, especially among the skilled workers, so the chances of winning strikes are much better.

Significance of Strikes

It is not at all unnatural, then, that there should be many strikes this winter. But the outbreak of trouble in the automobile industry was disquieting nevertheless, and for two reasons. In the first place, it is a key industry. Many others depend upon it. It has led the recovery movement. As the output of cars has gone up there has been increased demand for steel, glass, rubber, and other materials. The factories making these materials have been stirred into activity and have taken on more men. A recovery chain has been created, and it has pulled the nation toward prosperity. If the automobile plants should be closed even for a little while, the effects on convalescent American business would be bad.

Here is the other abnormal factor in the labor situation this year: A change is under way in the labor movement itself. The leadership of the old, conservative American Federation of Labor has been challenged. The A. F. of L. is made up primarily of craft unions, or unions of skilled or semiskilled workers. The new movement, represented by the Committee for Industrial Organization (C. I. O.), is a mass movement of workers, skilled and unskilled. The C. I. O., under the leadership of the masterful John L. Lewis, is trying to organize the unskilled of the nation into great unions, strong in their power to negotiate with employers. The unions in the A. F. of L. have a total membership of about 3,000,000. Lewis and his associates hope to have behind them a movement of many times that number. They have in mind a united army of American workers, consisting of all classes, skilled and un-

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WASHINGTON MAKES READY

Work is being completed on the stand in front of the Capitol from which the President will take the oath of office and deliver his inaugural address on January 20.

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Standards of Conduct

People often justify questionable acts on the ground that they are customary. A lawyer, for example, with a client whom he believes to be guilty, may resort to sharp practices to win his case in defiance of justice, and he may truly say that such practices are not unusual. A businessman may lie in advertising his products and find precedent for his act. Politicians often vote against their convictions in order to win support. Editors frequently take the popular side in controversies when they believe the unpopular side to be right. Men and women of all sorts often resort to little deceits for their own personal advantage. Every one of these acts can be defended on the ground that other people are doing the same thing.

This raises the question as to whether such an excuse is satisfactory. Is it enough to say that your acts are legal and that they are only such as many people engage in? It depends upon what you think of yourself. If you have not a very high regard for your character and your reputation, if you are satisfied merely to go along with those who do not in any way stand out from the crowd, if you have no ambition to make of yourself all that you might possibly make, then you may be satisfied to take customary standards of conduct as your own. Another standard is described in one of George Santayana's books. This philosopher says in the first chapter of "Character and Opinion in the United States," that "the moral world always contains undiscovered or thinly peopled continents open to those who are more attached to what might or should be than to what already is."

Most people live in crowded territory. They dwell on thickly peopled continents. They go along with the masses. They move with the herd. Their moral standards are no higher than those of the common run of men and women. They are traveling beaten paths. There is a challenge, though, to the aspiring young people of the nation to follow a more distinguished course. They may remove themselves from the herd by going on expeditions of moral exploration. They know very well that the world can never be a happy place in which to live if people do only that which they are legally required to do. No family can be happy if its members think only of what they are required to do in order to come up to mandatory rules of conduct. They know full well that false moral codes are responsible for a large share of our ills. Selfishness among nations may be defended on the ground that it is the usual thing. It is a fact that most people have very little sympathy for foreigners. It is also a fact that injustice toward classes of the population is very common, and that unfair dealings between employers and employed is the usual rule rather than the exception. The unbridled quest for profit regardless of the common interest in the business world is a very usual thing. It is not illegal and it is not generally condemned. But what miseries have come from such practices! And what heartaches have resulted from the conduct of individuals in their

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Congress to Take up New Neutrality Law

Present Measure Expires May 1, Expected to Be Strengthened by New Legislation

GRAVE ISSUE MUST BE FACED

Question of Giving President Discretionary Power to Act Is Certain to Be Raised

The nations of Europe have seemed to be crowded closely to the brink of world war during the last year, and many times it has seemed that they would surely go over the precipice. They have come safely through several serious crises. Whether they will go over the precipice at some time in the near future, or whether they will continue to escape war, is a question no one can answer. The international skies at present do not appear bright, but whatever may happen in Europe or Asia, the American people are determined to stay out of war if it is possible. They know that when there is a general war, neutral nations are in danger of being drawn in. They know that the United States was drawn into the last world war in 1917. They know that disputes arise over the trade which neutrals carry on with the nations which are at war. In order to reduce that danger to its lowest possible point, Congress enacted neutrality legislation last year—legislation which changed decidedly American neutrality policy. The Neutrality Act was a temporary one, and it expires May 1, 1937. Early this winter the present Congress will have under consideration the renewal and possible amendment of the Neutrality Act. Let us now examine the provisions of this act and the additions to it which are under consideration. The law as it stands includes the following provisions:

Provisions of Law

1. In case of a war in which the United States is not a party, it shall be unlawful for American citizens to sell arms or munitions to any of the warring nations. This is a departure from the practice which prevailed during the World War. At that time American munitions companies sold guns and ammunition to the belligerents. Because Great Britain had control of the seas she and her allies could buy these goods, whereas the Germans could not. So, while our munition makers were willing to sell to any of the belligerents, the sales, as a matter of fact, were only to the Allies. This angered the Germans, who felt that Americans were helping to arm their enemies, and they tried to prevent the shipments, even to the point of sinking American ships. The present law would prevent such a situation.

2. American citizens are forbidden to make loans to belligerent nations. During the World War, American bankers extended loans to the Allies so that they could buy American munitions and other supplies. They would have made the loans to the Germans had the Germans been purchasing American goods, but, as we have just said, the central powers could not buy our products. So American investors, as a matter of fact, were helping one side in the conflict. Such a thing cannot happen under the present law.

3. The President has the power, under the existing law, to declare that if Americans travel on belligerent vessels they must do so at their own risk. President

Roosevelt exercised this power during the war between Italy and Ethiopia. Such a rule did not prevail during the World War. American citizens traveled on the British ship *Lusitania*, and were killed when it was sunk by a German submarine. This action was considered a serious offense against the United States. If our citizens had been warned that they traveled on that vessel at their own risk, our government would not have been involved in a dispute over the sinking of the vessel.

The chief features of this act will, no doubt, be renewed before the law expires the first of May. The provision forbidding the sale of arms, ammunition, and implements of war to belligerents does not expire on that date, as the other provisions do, so it will be continued without opposition. An effort will be made, however, to



MUST LEARN THE LESSON
—Knott in Dallas (Tex.) Morning News

strengthen the law and make it more drastic, and a big fight will develop on that issue.

Changes Proposed

The attempt will be made to strengthen the law in this way: The law as it stands forbids Americans to sell to warring nations arms and munitions; that is, guns and ammunition. It does not forbid the sale to belligerents of other materials as necessary to the conduct of a war as munitions are. Under the present law, American firms might sell to the fighting powers such goods as oil, copper, cotton, scrap iron, steel, fuel, and other materials. During the World War, Americans sold more of these things to the Allies than they sold of munitions. The Germans were just as much outraged at such sales as they were at sales of guns, and they tried to prevent delivery by the sinking of as many vessels as they could.

Why, then, it is argued, should not such goods be put on the forbidden list? Americans would then be prevented from selling vitally necessary articles to any nation at war. Such a provision would lessen the danger of our becoming involved in a quarrel with a belligerent power. If we want to remain at peace, we must give up trade which is of such a nature as to embroil us in the conflict. If a war breaks out and if Americans do not lend any money to either side or sell them any of the supplies they most vitally need, none of the belligerent nations will take offense at our conduct. They will not interfere with our trade. There will be no occasion for them to kill any of our people. Causes of war will not develop. But if we undertake to sell to any of the belligerents copper or oil or other goods necessary to the carrying on of a war, the opposing power will try to prevent the trade, and we will certainly be involved. Such is the argument of those who wish to strengthen the law so as to make it more effective in keeping us out of the next war.

Here is the argument most fre-

quently made in opposition: If a war in Europe breaks out, it is almost certain that Germany will be on one side of it and Great Britain and France will be on the other; other nations will also be involved, but of that much we can be certain. The British and the French will have control of the seas as they did during the last war. Germany will not be able to buy necessary war supplies from us, whatever our neutrality laws may be. The British and the French, on the other hand, having control of the seas, will be able to buy such supplies from us if we do not enact a law forbidding the sale to them. If, in other words, we allow our neutrality law to stand as it is, the British and the French during the next war can buy oil and cotton and copper and other things which they vitally need from Americans, while the Germans cannot. That, alone, might turn the tide of victory. If we change our law so as to forbid Americans to sell to any belligerent nation necessary war supplies (other than arms and munitions), such action, in effect, will help Germany and hurt France and England. Why should we change our neutrality law so as to benefit a militaristic dictator-controlled nation, and so as to hurt the democratic nations? Why should we change our law so as to assist the power which will probably be the aggressor and so as to deny supplies to the probable victims of aggression? Even though we might not wish to go into the war to help the British and French, we should permit these nations to buy war supplies over here, provided they are in a position to do so. We should not close our doors to them. And yet we would be closing our doors to them in effect, if not in intent, if we should strengthen our neutrality law to the point of forbidding any belligerent to buy essential war materials here.

War Danger Seen

Those who favor strengthening the law say in reply to such arguments that if we insisted on selling necessary war supplies to the nations which could buy them because of their control of the seas, we would surely be involved in war. If we should permit Americans to sell oil and copper and other things of that kind to the British and French, the Germans would surely undertake to stop such trade by ruthless submarine campaigns. Then we would get into the war as we did before. If, therefore, we wish to remain at peace, we should not think of which side would be helped or hurt by our neutrality policy. We should prevent the kind of trade which would get us into the war. We should be strictly neutral. Then, if we decided that we wanted the French and British to win—if we wanted it badly enough to justify our going into the war—we could declare war on Germany; then we would be going in openly. We would not be drawn in by the back door through a quarrel over trade.

A compromise position may be taken. A provision may be enacted, giving the President power to forbid the shipment of war

essentials to belligerents, but not requiring him to take such action. If such a provision were enacted, the President could permit Americans to sell these supplies if he cared to do so. He might wish to do so if the trade were helping victims of aggression. This would be a way of doing a good turn to nations with which we sympathize, without actually going to war for them. Of course, it would be a dangerous procedure, because it might lead us into actual war with the country which could not benefit from such trade.

Whether an American will favor having the government shut off the sale of a large range of goods to all belligerents will probably depend in large part upon the degree to which he sympathizes with the British and French, the nations which will no doubt control the sea and which would benefit by being able to buy goods in America. It will depend also upon how stiff his determination is to keep America out of the war under any and all circumstances. If he thinks it is more important for us to remain at peace than it is for us to help the more democratic nations, he will want an embargo placed over a wide range of goods. If it be argued that this will interfere seriously with American commerce, he will reply that the loss of our commerce to belligerent nations in wartime would not cost us a fraction of what a war would cost. He will point to the fact that even in the years before the depression, the total of American exports was only about four billion dollars. If during a general war, then, we might forbid the export of American goods altogether, and the government, in order to avoid hurting the farmers and manufacturers and others who have things to sell abroad, might buy all these exports, the cost would be only four billion dollars. If, on the other hand, we went into a war to protect the trade, the cost would probably be 10 times that much. Our participation in the World War cost us more than 50 billion dollars.

If one wants to be really logical and rational about it, therefore, he will see that the big issue is not concerned with saving our trade. The big issue is as to whether America will find it to her interest to take sides in the next war and do something to help one set of contestants, or whether we should stand off in a strictly neutral position.

"Cash and Carry"

There is a strong group in Congress which favors a change in our neutrality a little different from the plans we have been considering. These congressmen will try to establish what they call a "cash and carry" rule. By this, they mean that Americans should be permitted to sell anything they please to belligerents, provided the nations which buy the goods pay cash and take delivery at our ports. They would have to haul the goods away in their own ships, and the American government would not be responsible for what happened after the ships steamed out of our harbors. This plan would work to the advantage of the nations which control the seas, provided they could raise the money to pay cash for our goods, and yet it would not involve us in quarrels over the activity of submarines which were trying to break up the trade. If, however, we should require that all trade with belligerent nations be carried on in their own vessels, it would be hard on American shipping lines and American seamen. It would leave them little to do. If such a rule prevailed, the government might, of course, subsidize our shipping companies and our seamen, making up for their losses.

The new law will probably forbid the sale by Americans of war supplies to participants in a civil war, as well as to parties in an international war. Civil wars are not provided for in the present law, and as a result of the omission, American companies are selling airplanes to the Spanish government for use in the war, and there is nothing our government can do about it.



BETTER LOOK OUT FOR THAT OAK LIMB, ABSALOM
—Doyle in N. Y. Evening Post

The new law may be tightened in another respect. It may not stop with warning Americans not to travel on the ships of nations which are at war. It may actually forbid them to travel on such vessels. The reason for the change would be this: If during a war Americans were to take passage on a belligerent vessel, as they did on the *Lusitania* during the last war, and if that vessel were sunk and the Americans were killed, there might be a wave of anger in the United States, even though the Americans had been warned by our government that if they traveled on the vessel they would do so at their own risk. The people might be so stirred by the killing of Americans that they would insist upon our going to war, hence the demand for a provision in the law which will forbid the Americans outright to travel on belligerent vessels.

Other proposals than the ones we have mentioned will no doubt come to the fore during the debate on the neutrality law. This debate will be one of the most interesting and important in the history of



NEEDS MENDING
—Carmack in Christian Science Monitor

American international relations. Because of the recent turn of events in Europe, members of Congress are expected to be asked to make neutrality the first item on their legislative program. The issues and arguments will be explained week by week in *THE AMERICAN OBSERVER* as the controversy proceeds.

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A BIG OCEAN, AND A MIGHTY SMALL BOAT

—Cargill in Jackson (Mich.) Citizen-Patriot

AROUND THE WORLD

Germany: The international crisis over Spain took a sudden turn for the worse last week when the conflict between Germany and the loyalist government was brought out into the open. What virtually amounted to a state of war came into existence when the Germans and loyalists captured each other's ships and engaged in naval warfare.

Most observers, however, doubted that the incidents would lead to war. Some of them were inclined to think that Hitler was blustering and was resorting to a daring maneuver in an effort to gain the upper hand in a diplomatic struggle with France and Great Britain. Those two nations had earlier warned him of the dangers of further intervention in Spain, and, it is reported, had hinted that financial, economic, and perhaps colonial concessions would be forthcoming if he would change his warlike policies, not only in Spain but in Europe as a whole, in favor of more peaceful ones.

It is possible that Hitler, seeing an opportunity to trade, deliberately aggravated the crisis in order to strengthen his position. If he could frighten France and Great Britain enough in the Spanish affair, he might exact valuable concessions from them without having to give much in return. This would permit him to escape from a bad situation with his prestige increased at home and abroad.



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DEBT NEGOTIATOR
George Bonnet, former finance minister of France, who is being sent to the United States to reopen the war debt question.

Further indication that war over Spain is not to be expected was seen in the new treaty between Great Britain and Italy, stabilizing their relations in the Mediterranean and agreeing to preserve Spain's territorial integrity. If this agreement meant anything it meant that Mussolini and Great Britain would not permit Germany to gain a foothold on the Iberian peninsula. It did not necessarily mean, however, that Italy would completely desert Germany and leave her isolated in Spain. The immediate dispatch of several thousand Italian troops to Spain made it clear that Il Duce had not yet washed his hands completely of the Spanish civil war.

It remains to be seen to what extent Hitler and Mussolini will stick together and how far they will push matters in Spain. Mussolini's pact with Britain, and Hitler's impossible domestic economic situation, would seem to warrant the conclusion that neither of them will risk rushing headlong into war. But how long will they play with fire? To what lengths will their bluffing go?

Italy: Ringing down the curtain upon an interlude of tension, which at one point almost threatened war between them, Great

Britain and Italy have come to an agreement that, both in its terms and in its unrevealed implications, will contribute measurably to the forces channeling the current of European politics. The accord, signed at Rome by the Italian foreign minister, Count Galeazzo Ciano, and the British ambassador, consists of three main provisions. The interests of the two powers in the Mediterranean are declared to be in no way inconsistent with each other; each guarantees to the other free movement in the sea and through the straits leading to it; and, finally, both agree upon the necessity of maintaining the political balance, as it now exists, of the powers bordering the Mediterranean.

The agreement, which was foreshadowed by the recent British gesture of reducing its legation in Addis Ababa to the status of a consulate and thus granting Italy virtual recognition of her Ethiopian conquest, considerably eases the strain which has existed between the two nations since Britain took the lead, in the League of Nations, of condemning Mussolini and of invoking sanctions against him.

But, it is clear, the understanding has even broader scope. For one thing, it is expected that France will be invited to join the accord. Thus there may well be revived the famed Stresa Front of 1935, when, following Hitler's denunciation of the Versailles military clauses, France, Italy, and Britain formed a bloc to oppose Nazi aggression on the continent. In granting recognition, like London, to Italy's Ethiopian conquest, Paris has already taken the first move toward becoming a party to the pact.

The second important product of this exchange of assurances is the contribution it makes towards solving the problems of the Spanish civil war. By promising that he has no intention of acquiring territory in Spain, Mussolini has removed most of the causes which earlier impelled him to send men and munitions to the rebels. And while it is true that he would favor victory for the fascists, he has agreed to abide by the nonintervention pact, if other powers would do the same. The recent tendency of Europe to divide itself on the Spanish issue into two opposing blocs is thus apparently ended.

This is all to the good. But Mussolini's promise to retreat from the civil war if other nations do was obtained at a price which may some day plague European statesmen; for included in the treaty is a phrase which observers interpret as meaning that Italy will refuse to recognize any separatist movement in Spain herself. Should Catalonia, for example, hold firm, once the war is ended, in her determination to remain an independent state, it will be opposed by Italy. As an international issue, such opposition carries even more dynamite than the current civil war.

India: When the new constitution for India was completed in 1935, after eight years of labor, the British hoped that for some years, at any rate, the problem of how to rule over 400,000,000 human beings would be solved. Their hopes were further heightened by the fact that the newly appointed viceroy, Lord Linlithgow, upon whom was to fall the task of launching the new constitution, was a keen and serious student of India's agricultural and economic problems.

But to some extent these hopes were beclouded last week when a meeting of the National Congress party, largest of the political factions in the land, condemned the new constitution as an instrument of British imperialism and decided not to participate in the Durbar, to be held next summer, at which King George VI will be proclaimed



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NEW OFFICERS FOR THE REBEL ARMY

General view of the officers' school at Burgos, rebel capital in Spain, as newly trained officers were sworn in as members of the rebel army.

emperor. The importance of this opposition may be gauged from the circumstance that Mahatma Gandhi and Pandit Jawaharlal Nehru spoke from the same platform. While both these men are leaders in the struggle against British rule, they have hitherto differed radically in the form of their attacks. Gandhi has advocated passive resistance, while Nehru, who is president of the National Congress party and who has a tremendous following, has urged strong, aggressive action. The appearance of these two leaders upon the same occasion, evidence of a growing unity in India's ranks, augurs unfavorably for the British administration.

If, as is not improbable, the Indian people will finally agree to participate in the new government to be chosen this spring, they will do so only because they will have decided that such a move is the lesser evil. In the new constitution is a clause granting the British viceroy emergency powers, and it is this which may determine the ultimate decision.

Manchoukuo: Since the Japanese conquest of Manchuria in the fall of 1931, little but criticism has been heaped upon the Nipponese rulers for their imperialism. However, in a recent issue of the magazine

Today, a Japanese newspaperman, Adachi Kinnosuke, presents a strong case for the Japanese invasions of China. He declares emphatically that since Japan took control of Manchuria, decided improvements have been made. He says economic and social conditions are so much better there than in China that more than 3,000,000 Chinese have migrated to Manchuria. The inhabitants of North China are constantly preyed upon by the war lords, whose methods resemble those of American gangsters. They extort tribute from the Chinese farmers in the form of heavy taxes in order to continue their bloody adventures. Many of the taxes have been abolished since the Japanese took over Manchuria, Mr. Kinnosuke says, and they are seeking to reconstruct the country from the bottom up.

Most observers agree that conditions are better in Manchuria since the arrival of the Japanese. But whether or not the people of Manchuria are as happy under Japanese rule as before is another question. Of course they were ruled by a dictatorship all along, but many of them bitterly resent being governed by an outside nation. The precise extent of this resentment has not yet been gauged.

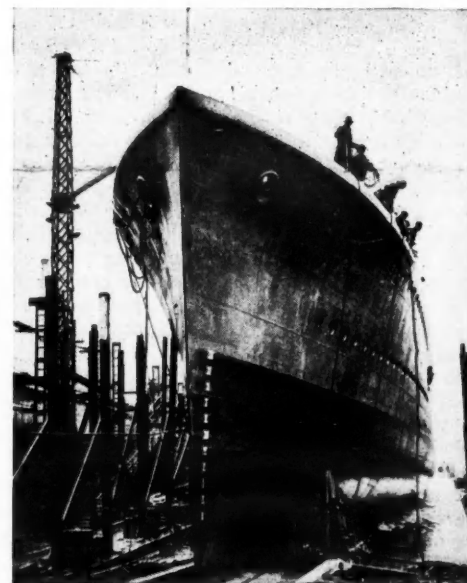
Chiang Hsueh-liang, the young marshal who held China's dictator captive for two weeks, has been sentenced to 10 years' imprisonment and the loss of civil rights for five years.

CONDUCT STANDARDS

(Concluded from page 1)

personal relations—conduct which is legal and even customary but lacking in the highest moral quality of thoughtfulness, consideration, and altruism!

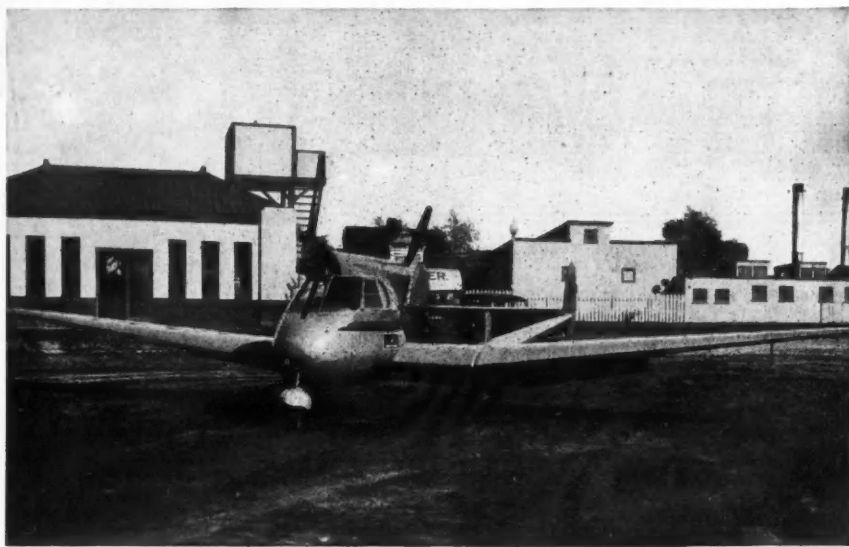
Admitting that it is hard to discover the roads to justice and truth, we may say first that many of the accepted moral codes are inadequate; second, that we can go far toward raising ourselves to higher levels by resolving to satisfy the exacting demands of conscience in the determination of our personal and public relations; and, finally, that we may enlist ourselves as explorers in search of those "undiscovered or thinly peopled continents" where those reside who "are more attached to what might or should be than to what already is."



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ANOTHER ONE

British reararmament is proceeding apace. This is the new destroyer "Intrepid," as it was launched at Cowes (Isle of Wight) recently.



CAN FLYING BE MADE SAFE?

© Harris & Ewing

Recent airplane accidents have spurred the drive to develop safer methods of air travel. The Department of Commerce has for some time been testing small, inexpensive planes which the average person could fly with safety. This is one model which was inspected some time ago.

Constitutional Issue

Before the present session of Congress adjourns, it may be called upon to make one of the most momentous decisions in its entire history. It may have to decide whether to submit to the states for ratification a constitutional amendment which will give to either the national government or the states the power to pass legislation dealing with wages, hours of work, and other industrial conditions.

The issue was brought squarely to the fore a few days ago when Senator Joseph T. Robinson, Democratic leader in the upper house, declared that something must be done to regulate hours and wages and announced that a "well-considered constitutional amendment may prove the best method." In his opinion, no possible means of preventing the exploitation of labor can be constitutionally carried

as a conservative, although he has supported most of Mr. Roosevelt's program. It is interpreted by many as an indication that the President himself feels that the best time to bring the constitutional issue to the fore is during the present session of Congress. Many feel that Mr. Roosevelt had that issue in mind when, during the campaign, he declared that during the second administration he would work for higher wages and shorter hours. Legislation covering these items, it has been argued, could hardly be enacted without such an amendment in view of the Supreme Court decisions on the subject.

Child Labor

As the state legislatures convene again this month, a new drive will be made to secure ratification of the child labor amendment to the Constitution. So far, only 24 states have placed their stamp of approval on this constitutional change which would give Congress the power to eliminate child labor. Nineteen of the legislatures which will be in session this year have not yet acted, so it is conceivable that the amendment might be approved.

It has been more than 12 years since this amendment started its way among the various states. Passed by Congress in June 1924, the proposed amendment to the Constitution provides:

"The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"The power of the several states is unimpaired by this article except that the operation of state laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress."

TVA and Power

While other experiments launched by the federal government during the last four years may have been more spectacular, none has been more significant than that which has been going on in the Tennessee Valley for the last three years. Under the direction of the TVA, a vast experiment in regional planning is being carried forward. Not only is the government manufacturing and selling electricity, to serve as a "yardstick" in determining the costs of generating electricity, but it is engaging in a number of other social experiments, including soil erosion, flood control, improvement of navigation, reforestation, and dozens of others.

One of the notable achievements of the TVA has been its electricity program. It has succeeded in breaking the vicious circle which has for years attended the electrical industry. It has reduced the price of electricity in the Valley and by so doing has increased the use of that essential product.

Private companies operating in the region have brought their prices down, with the result that they, too, have sold more electricity and have increased their profits.

Insofar as the future policy of the TVA with respect to electricity is concerned, there seems to be considerable conflict. Whether

The Week in the

What the American People

the government will cooperate with the private companies as closely as possible or whether it will pursue a more or less aggressive campaign against them is not known at this time. The members of the governing board of the TVA seem to be divided on the subject. Dr. Arthur Morgan, chairman of the board, seems to favor a relatively moderate program, using the experiment as a real "yardstick" to determine power costs, but not as a means of pushing the private companies out of business. David Lilienthal, on the other hand, seems to favor the more aggressive policy of seeking to push the sale of TVA electricity as much as possible, both by inviting new industries into the region and by competing directly with private concerns by establishing duplicating lines. While a "truce" seems to have been established between the government and the companies for the time being, it is certain that definite decisions will have to be made before long. Whether the Morgan thesis or the Lilienthal point of view is to prevail in the long run will depend almost entirely upon the President's views on the power issue.

Dividing Lines

If one visited a session of the Senate five years ago, he would have noticed that the members sitting on either side of the chamber were almost evenly divided, Republican members sitting on one side and Democrats on the other. However, as one visits the Senate chamber this session he finds an entirely different arrangement, for the Democratic members outnumber the Republicans almost five to one. There are in the present session 76 Democrats, 16 Republicans, two Farmer-Laborites, one Progressive, and one Independent. Because the seats and desks in the Senate are movable, it has been possible in the past to shift the aisle so that the two major parties may actually be divided. During the present session, however, the Democratic majority is so overwhelming that some of the Democrats will have to sit on the Republican side of the aisle.

In the House, no attempt is made to keep a dividing line on strictly party lines because the seats are not movable, being arranged as semicircular tiers of benches. In that body, the 89 Republicans will be pushed off to one side, while the 333 Democrats will occupy approximately four-fifths of the seats.

Exodus

Four years ago, when the New Deal was ushered in, there came to Washington a flood of experts of one kind or another, professors, young men engaged in private business, and others who were anxious to enter the public

service. Many of these men occupied key positions in the governmental setup and have had a great influence in shaping policies during their years in Washington. They have not always been in the limelight, but their influence has been felt frequently more forcefully than that of the more prominent.

During the last few weeks, there has been a veritable exodus of these young, or relatively young, men who made up the government's personnel. The most notable of them was Rexford G. Tugwell, who left to enter private business. As recovery has progressed, many others have had positions with high salaries offered to them and have consequently offered



Vice-president John N. Garner and Speaker William C. Clegg of Representatives, as they were photographed for a

their resignations. As a rule, salaries paid by private industry for executive positions are much higher than those in the government. Many of those who hold really responsible jobs in the government earn no more than \$4,000 a year and few of them pay as much as \$8,000, whereas in good times salaries in private industry may be twice that amount. Should the exodus continue, the government may be confronted by a serious shortage of really competent executives and experts.

Social Security

When 1937 began, about 23,000,000 American workers had taken the first step toward securing regular payments from the federal government when they reach the age of 65. These were the ones who had sent in their applications for registration with the Social Security Board by that time. More applications are coming in daily, and it is expected that before long 26,000,000 workers will be on record as participating in the new venture in insuring economic security to the aged which the United States is launching this year.

By the provisions of the Social Security Act, passed by the last Congress, the workers and the employers each contribute a small proportion of the wages to build up a reserve fund out of which the old-age benefits will be paid. The amount each worker will receive monthly, beginning at the age of 65, will depend on the amount he has paid into the reserve fund. Consequently those who now are near the 65-year line will get only comparatively small amounts. Under the law as it stands, only those who now are comparatively young and who work steadily from now on, will really get enough, when they are 65, to live comfortably.



HOW ABOUT A LITTLE SUPPORT FOR THE HOME TEAM?
—Cargill in Montana Record-Herald

out because of recent interpretations of the Constitution by the Supreme Court. In the NRA and Guffey Coal Act decisions, the highest tribunal of the land ruled that the federal government does not have the power to regulate wages and hours of work, and in the New York Minimum Wage Act decision, the Court contended that the states could not deal with such industrial conditions. Thus, there is a "twilight zone" into which neither the federal government nor the states may enter.

"It is my thought," remarked the senator from Arkansas, "that the power should be established either in the states or in the Congress and that the decisions of the Supreme Court preclude effective legislation without amendment to the Constitution. Admittedly such an amendment would provoke much debate and require time. I do not preclude myself from supporting any legislation which I am convinced would make possible reasonable control by public authority over the subject of maximum hours and minimum wages."

The fact that such a position on the constitutional issue has been taken by a man like Senator Robinson is regarded as highly significant, for Mr. Robinson had been considered



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GERALD P. NYE

Who threatens a Senate investigation into the sale of American planes to the Spanish loyalists. Nye was head of the Senate committee investigating the activities of munitions manufacturers at the last session.

United States

Doing, Saying, and Thinking

This is one of the features of the present law which those who feel that the Social Security Act as its stands is unsatisfactory want to see amended. The American Association for Social Security, for example, recently proposed that the law be changed to provide for larger payments to the workers who have only a few more years before they will be 65. The association also recommends that the proportion of the workers' wages taken be reduced. The government should get from general taxes the extra money that would be needed for old-age pensions if these two things are done, the association believes. Part, at least, of the old-age pension money



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should come from general taxes in any case, the association says, to avoid the necessity of building up the staggering reserve fund of \$47,000,000,000 dollars which, under the present law, will be created by 1980.

The Social Security Act also provides for unemployment insurance, with the federal government collecting taxes and turning over to the states most of what it collects to help workers who lose their jobs. But only the states that have unemployment insurance laws of their own, which are approved by the Social Security Board, will get any of the unemployment tax money collected by the federal government. Each state that has such a law will receive 90 per cent of what the federal government collects in that state. Only the states that had qualified by January 1, 1937, however, will get any of the first payments, which are to be made this month. Consequently there was a wild scramble by quite a number of the state legislatures to adopt laws of this kind before the end of the year. Nineteen states passed these laws during December, making 35 that had qualified.

PWA Results

"The Public Works Administration enters the year 1937 with its first PWA program virtually completed, the second PWA program at its peak, the third, or current, PWA program well launched and, with the benefit of earlier experience, reaching construction faster than either of its preceding programs," according to a report recently issued. Altogether, in the three years since it was started in 1933, the PWA has allotted funds for 25,200 projects costing \$4,071,751,000, of which 1,900 projects, costing \$1,500,000,000, have been completed. Wage payments by the PWA have amounted to almost a billion

dollars. Materials used in PWA construction have cost a billion and a half dollars—of which, the report says, the larger part went into "the pockets of workmen in the mines, the forests, and the factories most often far removed from the site of construction." Officials contend that for every 10 men employed on the actual site of construction, 25 get work producing, manufacturing, and transporting the materials used, not taking into account the many others who benefit from the increased demands for goods made possible by the wages paid to those directly and indirectly employed in connection with PWA projects. In every case, the local community, where the PWA undertook a project, chose the work to be done, supplied more than half of the money, and administered the actual construction with the aid of federal grants and federal advice. Through this cooperation with the communities, the PWA has been responsible for three-quarters of all the schools and two-thirds of all the hospitals built in the past three years, besides the flood control, water power, street and highway, and other undertakings.

This PWA construction, the records show, has stimulated, not checked, private building. For the first 11 months of 1936, private construction was up 60 per cent from the same period in 1935, compared with a rise of 54 per cent in public construction.

Art for the Capital

By a gift from Mr. Andrew W. Mellon, former secretary of the treasury, Washington is to have a beautiful new national art gallery which will house from the start one of the finest collections of paintings and sculpture in the world. Mr. Mellon will donate the money for the building, which will cost between eight and nine million dollars, and will provide an endowment to pay the salaries of a director, a curator, and other administrative officers and to purchase additional works of art. He also will give the collection of masterpieces of painting and sculpture which he has been building up for years. He asks the federal government to provide a site, on the Mall in Washington, and to furnish funds for the upkeep of the building. But he specifically says that he does not wish to have his name associated with the building since he wants it to be "for the use and benefit of the general public."

The value of the collection which Mr. Mellon is giving has been variously estimated at between \$50,000,000 and \$100,000,000. Included among the masterpieces are many works of Rubens, Rembrandt, Goya, and other painters as well as the Hermitage collection of paintings and the Dreyfuss collec-



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FRANK L. WILSON

Who has been appointed head of the United States Secret Service, following the retirement of William H. Moran, head of the unit for 19 years. One of the important duties of the Secret Service is to protect the person of the President.



© Wide World

FOREVER CONDEMNED

A row of houses in Philadelphia from which the inhabitants have been removed by the city, and have been placed in an armory until they can find other homes. Another evidence of the great need for better housing facilities which exists in the United States today.

tion of sculpture. Mr. Mellon's offer was made and accepted in correspondence between him and President Roosevelt late in December.

Profitable Alaska

When Secretary of State Seward agreed that the United States would pay Russia \$7,200,000 for Alaska, 69 years ago, he was bitterly accused of throwing good money away in getting a worthless possession. But in the single year 1936, the minerals produced in Alaska were worth more than three times the original purchase price—\$23,347,000—and the total mineral production of the territory since 1880 has amounted to \$722,000,000. Gold is much the most important mineral taken from the soil of Alaska; the 1936 value of the gold output was \$18,146,000, and the total value of the gold production since Alaska was purchased is \$469,000,000. But Alaskan copper and coal also are coming to be of considerable value.

More Accidents

Those who had hoped that the nationwide campaign to cut down automobile accidents in 1936 would bring forth concrete results find little encouragement in the figures of fatalities resulting from accidents last year. There was actually an increase of approximately 700 deaths over 1935, according to figures reported by a press survey. Last year, a total of 37,708 persons lost their lives as a result of automobile accidents, as compared with 37,000 in 1935.

The Debt Load

The national debt of the United States has increased considerably in the last three years. Nevertheless, the amount of the public debt per person in this country still is less than half that in the United Kingdom, according to the National Industrial Conference Board. Including the national debt and the debts of the states, cities, counties, and other political subdivisions, the per capita debt of Americans at the end of last June was \$416—compared with a per capita debt in the United Kingdom of \$1,016. The total public debt in the United States on June 30, 1936, was estimated at \$53,400,000,000. Of this, the federal government debt was 63 per cent, or \$33,800,000,000, while the state and local debts amounted to 37 per cent, or \$19,600,000,000.

Women Legislators

One hundred and thirty-five women will be taking part in the meetings of the legislatures of 34 states this year. This is five more than in 1936, but still is less than the 149 women state legislators in 1929. Of these 135, the Democrats will have 75, and the Republicans 54. Sixty of the 1937 women legislators were reelected to office; a majority of them are serving third, fourth, and fifth terms. One, in California, has been a member of the state house of representatives since 1922; two, in Minnesota, have held office.

THOUGHTS AND SMILES

Jim Farley caused some commotion the other night when he remarked in an expansive after-dinner speech, that the country needs "a strong opposition party." Does that fellow want to take over the management of the Republican party too?
—St. Louis Post-Dispatch

Almost everybody thought that Marshal Joffre had won the first battle of the Marne. But some refused to agree. One day a newspaperman appealed to Joffre:

"Will you tell me who did win the battle of the Marne?"

"I can't answer that," said the marshal, "but I can tell you that if the battle of the Marne had been lost the blame would have been on me."
—Quoted in News Week



PICKING OUT THE SOFT SPOTS

—Graf in Nassau Daily-Review

Within man's mind there is always a new frontier. . . . Some of the best books have been written by old men.—Opie Read, 84-year-old-author-humorist

A discreet back-seat driver would say, "Don't look now, but I think a train is pulling into this crossing."
—Atlanta Constitution

Part of the roof of his house fell on a man as he was opening his front-door. He put it down to eavesdropping.
—PUNCH

Several European nations hint they may pay us something on the war debts. This, we take it, is the first official April Fool joke of the 1937 season.
—Atlanta Constitution

I believe the only way we can cure the ills of democracy, is by more democracy.—Dr. Charles S. MacFarland, N. Y. Clergyman

Overheard in a New York subway at the rush hour, as the guard was battering the last 20 men into a car that already held twice its capacity: "Well, one thing Americans will never stand for is regimentation."
—LIVING CHURCH

Now that a Swedish gland expert believes he can give children the strength of grown men, father will ponder a bit before usurping junior's toy railroad.
—Kalamazoo GAZETTE

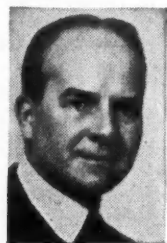
Historical Backgrounds

By David S. Muzzey and Paul D. Miller

American and Japanese Imperialism

THE fourth decade of the last century is known in history as the "fabulous forties," and the significance of this period lies in the fact that it marked the beginning of American imperialism. It is true, of course, that we had expanded territorially before that time, but the new lands we had acquired—notably Louisiana and Florida—had come into our possession by means of purchase and negotiation, rather than conquest. With the famous forties, however, the question of expansion became one of the dominant issues of American politics, and we went to war with Mexico to increase the national domain. As a result of that war, we added to our territory a new region equal in size to France and Germany combined. By so doing, we deprived Mexico of about half of her territory. Thus began one of the most significant chapters in

American history—a chapter to which important developments are being added at the present time.



DAVID S. MUZZEY

The trouble with Mexico was not a sudden uprising. For years, Mexican territory had been coveted by certain governmental officials. And the ground had been well prepared for the conquest. From the time Stephen F. Austin and his group had settled in Texas, Americans took pains firmly to entrench themselves, economically, on Mexican soil. They had acquired property, and many had speculated in land, gambling on the prospect that the region would someday become a part of the United States. At the same time, California was offering a fertile field for American commercial interests, as American-owned vessels steamed into and out of the harbors to engage in a lucrative business. There were many who felt that the United States should be in possession of all territory from the Atlantic to the Pacific Oceans.

The Mexican War

Long before the outbreak of the war, the Mexicans had just cause to be concerned over the designs of the Americans upon their territory. Ten years before hostilities began, the inhabitants of Texas had staged a revolution—financed primarily in the United States—and had established themselves as an independent nation. Steps for annexation to the other states were immediately taken. At the same time, the inhabitants of California received as much encouragement as they needed to sever their political bonds with the Mexicans. Thus we have a clear case of economic penetration, plus colonization, as a prelude to political domination of an adjoining region.

Japanese apologists have not failed to recall these historical incidents in explaining their activities in China during the last five or six years. And it is quite true that a fair analogy may be drawn between the two cases. Years before Japanese troops began marching into Manchuria to sever that province from China, the Japanese had solidly entrenched themselves in the region. They had acquired vast properties in the Chinese province. The important mines, banks, and factories of Manchuria were in Japanese hands. The leading railroad in the south of Manchuria was in the hands of the Japanese government. And, as in the case of Texas and California, the commerce between Manchuria and Japan was essential to the economic well-being of Japan.

Later, when Japan sought further to expand in China by establishing political control over the five provinces of North China, the economic ground had already been prepared. Economic penetration again preceded the movement toward political control. The only essential difference between the Mexican case and the Chinese lies in

the matter of colonization. Japanese had not, to an appreciable degree, colonized the Chinese provinces. But in the matter of getting an economic stranglehold on the territory, there was very little difference.

From the Mexican point of view, the armed conflict which broke out in the spring of 1846 was a definite invasion of their territory by American military troops, just as much as the capture of the capital of Manchuria in the fall of 1931 was an act of Japanese invasion, considered from the Chinese point of view. As a matter of fact, the United States had sent troops under General Zachary Taylor into a disputed territory. The Texans—now American citizens, having been annexed to the United States the previous year by a joint resolution of Congress—insisted that their boundary ran as far south and west as the Rio Grande River. The Mexicans denied such a claim and fixed the dividing line at the Nueces River. Thus, from the American point of view, General Taylor was legally on American soil and was defending his country against an attack. But to the Mexicans, a foreign foe had invaded their territory.

Pro and Con of Imperialism

After weighing all the evidence on both sides, it is hard to defend either the American action or the Japanese grounds as anything except imperialistic ventures. Nations had done the same thing before them and nations have followed identical courses since. Japan entered the field of imperialism late, having emerged from the period of feudalism to one of industrialism late in her national history. But just as the United States felt she needed the western lands in the possession of Mexico in order to realize her full economic possibilities, so Japan has felt that she must establish herself securely in China in order to exist and prosper.

As a defense of such a course of action, the argument has been advanced that regions under the control of backward nations reap decided benefits when they are brought under the wing of more advanced nations. Certainly the states which were carved out of the Mexican haul have progressed more under the American flag than they would have had they remained under the Mexican. The same might be said of the Manchurians, if we may trust reliable reports from that sector. Likewise, it might be argued that the Ethiopians will progress more under Italy's wing than they would have progressed as an independent nation.

But it should be remembered that the seeds of war are to be found in just such ventures. The Manchurian and Ethiopian episodes not only undermined the peace structure which was so carefully erected at the close of the World War, but they nearly plunged the world into another war.



FROM A DRAWING BY GEORGES SCHREIBER IN "PORTRAITS AND SELF-PORTRAITS"



FROM A PHOTOGRAPH BY PETER FLEMING IN "NEWS FROM TARTARY"

Among the New Books

Minute Sketches

"Portraits and Self-Portraits," Collected and Illustrated by Georges Schreiber (Boston: Houghton Mifflin Company. \$2.75).

GEORGES SCHREIBER conceived the notion of assembling his portraits of well-known literary figures into a single volume and of having each of those represented contribute a sketch, in words, of himself. The drawings by Mr. Schreiber are generally excellent, achieving their effect by almost photographic accuracy rather than caricature. Of the biographies, some are merely perfunctory, invested with as little warmth and distinction as a who's who; others, amusing for their childish vanity; a few, bland and wise. Together, they suggest the inhabitants of a zoo, distinguished enough but still huddled together in a merry exhibition of their antics.

Paul Valéry seems not to have forgotten that as a youth he startled France with an excruciatingly intellectual discussion on Leonardo da Vinci. He unfurls his own sails as proudly as a Viking ship. H. L. Mencken clowns through several pages, lets his venom fall where it may, and then incongruously attaches to his signature what appears to be an American flag. Waldo Frank fears that the whole volume is a mistake. Americans want their reading to be easy and will probably take advantage of these portraits to use them as a substitute for reading a writer's works. Doubtless the best, as it is among the briefest, is the sketch by Albert Einstein. "For the most part I do the thing which my nature drives me to do," he says in summing up his life and then adds, with a humility that would put comment to blush, "It is shameful to earn so much respect and love for it."

Peking to Kashmir

"News from Tartary—A Journey from Peking to Kashmir," by Peter Fleming. Illustrated (New York: Charles Scribner's Sons. \$3).

ACCOMPANIED by another journalist, and most meagerly equipped, except with a keen eye and the courage born of guilelessness, Peter Fleming made a journey of 3,500 miles from Peiping (once called Peking), through the rarely traveled province of Sinkiang and on to India. It required seven months for the two companions to complete this trip. They were hindered time and again by their own ignorance of the local dialects, by official redtape and by the natural dangers of a region where the plateaus are bleak, the deserts respectful of their reputation, and where a few makeshift tents earn for themselves a conspicuous spot on even a small map. Mr. Fleming, in his own delightful way, makes sport of these dangers. But he records them in so intelligent a way that they afford an excellent glimpse into little known regions. The writer has a knack for precise writing that not only describes

scenes but, what is much more difficult, conveys them to the reader's mind. The one exception that can be taken to this volume, in addition to what other observers regard as an inadequate and unfair discussion of Russian politics in Sinkiang, is Mr. Fleming's insistence upon recording every stage of his journey, whether of consequence or not. At times, this method comes dangerously close to reminding the reader of the dull, if admirable, marches of Julius Caesar.

Seeds of Revolt

"Fires Underground," by Heinz Liepmann. Translated by R. T. Clark (Philadelphia: J. B. Lippincott Company. \$2.50).

SINCE dictators have their own effective way of dealing with journalists ingenious enough to suppose that all news of significance should be made public, reports coming from their capitals are apt to be misleading or, at best, incomplete. Even those most sympathetic with the autarchic regimes in Europe admit the existence among all of them of censorship. It therefore follows that there is something to be suppressed.

What it is that the Nazi regime does not like to have known is told in this volume by Mr. Liepmann. In narrative form, with names of persons and places changed to avoid official detection, he tells in great detail of the underground movements and illegal activities carried on in Germany against the government. If it is a far from pleasant account, it is, at any rate, a most exciting story with a sustained interest which few detective novels could equal. For the truth of what is told in these pages the reader must necessarily rely upon the author. But it may be said, as further evidence of Mr. Liepmann's veracity, that his books have been burned in Germany.

British Authors

"British Authors of the Nineteenth Century," Edited by Stanley J. Kunitz and Howard Haycraft (New York: The H. W. Wilson Company. \$5).

THIS volume, to be recommended for reference libraries, contains biographies of more than 1,000 British writers of the nineteenth century. Only those writers the major portion of whose work was completed by 1900 are mentioned. Nor are there included any living authors. About a third of the articles are accompanied by portraits of a varying degree of excellence. The sketches are well written, with slight but generally intelligent criticism of the writer's works. Following each biography is a list of the subject's principal works together with references for further reading. This feature is one of the most valuable in the entire book and should prove of much aid to students seeking extended and authoritative comment on British authors.



Unemployment and the relief problem. Why do not those on relief take the jobs offered them? Why does unemployment persist?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

John: What do you consider the most important problems that Congress will have to deal with this winter?

Mary: One of the biggest ones, I should say, is the problem of a permanent and satisfactory relief program.

Charles: I agree that that is a big problem. I would like to know more about it myself. Most people whom I have heard discussing the question lack facts concerning the number of unemployed, the number on relief, the kind of work they are doing, and so on. Certainly these basic facts are necessary if we are going to come to any sound conclusions.

Mary: I can give you information on some of those points. The best evidence indicates that there are eight or nine million unemployed persons in the United States. That is a large number, of course, but progress has been made, for at the low point of the depression it is probable that about 15 million were unemployed.

John: Does that mean eight or nine million wage earners, or do you include their families when you give that figure?

Mary: There are eight or nine million wage earners unemployed. If you include their families, the number is at least 18 million, which is not far from one-seventh of the total population.

Charles: Are that many people actually receiving relief?

Mary: No, about half of them are receiving relief. At the present time nearly four million are getting help either from the national or local governments. Including their families, those on public relief number about 11,500,000.

John: What is happening to the others?

Mary: A few of them, perhaps, are living on past savings, but not many. The rest are being cared for either by relatives or by private charity, such as Community Chests, or Salvation Army, or some other charitable organizations.

Charles: But practically all the eight or nine million workers, or if you include their families, the 18 million—in other words practically all the one-seventh of the population not supported by private jobs—

must be supported by the other six-sevenths of the population either through public aid or private charity. Is that correct?

Mary: That is true. Of those who are receiving public help, about two and one-fourth million are getting work relief. They are employed by the Works Progress Administration. They are doing such jobs as road building, building airports, schools, playgrounds, or something of the kind. About one and one-half million are on direct relief. They are being given aid but not jobs, and this aid is given not by the federal government but by states or cities.

John: Couldn't these people get jobs in private industry if they really wanted them? I have heard a great deal about a shortage of labor; about employers who are unable to get all the help they need.

Mary: Perhaps that is true with respect to certain kinds of jobs. Highly skilled laborers in a few trades are said to be scarce, but there is not a scarcity of unskilled workers, and you must remember that three-fourths of those who are on relief are unskilled. They have never done any skilled work and are not prepared to do it. Many of them also are past middle age, and while they are physically able to work very well, it is hard for them to get jobs, because employers prefer younger men. And when we come to the million and a half who are not on work relief, but who are getting direct relief or the dole, we find that there are many who are really unfit to work. Perhaps some of them can be rehabilitated by proper training, but a large number are unemployable.

In further answer to your question, John, as to whether those who are on relief might not get private jobs if they wanted them,

I can tell you that every man who is working under the WPA; any man, that is, who has a work-relief job, must be enrolled in the United States Employment Service. He is thus an applicant for a job in private industry. If an employer goes to the Employment Service with a job which someone in the WPA can fill, the WPA worker is called upon and transferred from public relief to private employment. Each WPA worker must report to the Employment Service once a month.

John: But doesn't it sometimes happen that a man who is on work relief is offered a job by a private employer and refuses to take it? What happens in a case like that?

Mary: Yes, that sometimes happens, and when it does happen there is no uniform rule as to what shall be done. In local communities where a man is on direct relief, relief is often withdrawn if he is offered a private job and refuses to take it. In the case of a man working for the WPA, if he is offered a job and doesn't take it, he is usually kept at the WPA work.

John: I see no reason for that. Why isn't he kicked off if he won't take a job in private industry when it is offered? Why should the public go ahead giving him a job?

Charles: The case isn't as sim-

ple as you make it out to be, John. People working under the WPA don't get very good wages. The average is only \$52 a month. Very few WPA workers would refuse jobs if they were offered more than that. If they are offered less, why should they be required to take the jobs? There are many sweatshop employers who would take advantage of the unemployed if they could. Suppose there were a rule that no person would be kept on the public relief rolls if he were offered a job in private industry? Then an employer wishing to pay starvation wages could offer the WPA workers less than living wages, and they would be obliged to take these sweatshop wages or starve. They would be thrown to the mercy of the cruel and selfish employers, and if these employers could get labor for practically nothing, it would tend to depress the level of all wages. It would be a social crime to use the millions of unemployed as a body of workers from which the most selfish employers of the nation could draw their labor at whatever figure they might name. As a matter of fact, there are many workers in private



—WPA Photo

FOOD FOR CHILDREN

The WPA is providing assistance for many underprivileged children.

John: How long do you think the taxpayers of the country will be called upon to support the unemployed?

Mary: I would say as long as there are unemployed who cannot get jobs in private industry. How long that will be, I do not know. As I said a while ago, the total number of unemployed has already been cut down from around 15 million to around eight or nine million. It will be cut down still further. It is a fact, however, that labor-saving machinery is being used to displace human labor at a rapid rate, so that unemployment is not going down as fast as business recovery goes up. For example, a recent survey shows that in the manufacturing industry, 89 men were doing as much work in 1933 as 100 did in 1929. This means that production could have gone up 11 per cent during that time and yet there would have been no increase in the number of persons employed, because a smaller number could do the increased work. You must remember, too, that each year 600,000 young workers are added to the list of those capable of employment. Jobs must be found for them before there is any decrease in the total of unemployment. In spite of these discouraging facts, unemployment will decrease, because business recovery is coming rapidly. It seems likely, however, that a large proportion of those now on relief, especially those who are well along in years, will not be taken back by private industry. Unquestionably, we will have to support many unemployed for years to come, and let us not forget this: If public aid is withdrawn, the unemployed must be cared for just the same. The burden will be shifted from public support to private charity, but the American people as a whole must bear the burden whether they like it or not.



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ADMINISTRATOR OF RELIEF

Harry L. Hopkins, WPA head, believes we shall have a relief problem for a long time to come.

industry who receive less than \$52 a month. There are many in manufacturing establishments, hotels, and restaurants who receive from \$6 to \$11 for a week of 43 hours or more. If wages like that are offered to the unemployed, it would be a crime against the unemployed, against all the workers of the nation, and against American standards of living, to require the relievers to accept such offers or starve.

John: And yet, there are, no doubt, many persons on relief, especially those on direct relief, who would rather accept a mere pittance from the public and do nothing than to have fair wages at jobs which would require them to work. Such people should not be supported at public expense. If a man is offered a decent wage and refuses to work he should surely be kicked off relief.

Mary: Frequently he is thrown off relief under such circumstances, but even that case is not as simple as it may seem. Suppose that a relatively worthless fellow who doesn't want to work is offered a good job and refuses to take it? You may say at first thought that relief should be withdrawn. But suppose on investigation you find that he has a family and that perhaps a child in the family is sick. What would you do in that case? Would you take all relief away from the family because they are so unfortunate as to have a worthless husband and father? One runs up against many difficult cases in the relief business. It should be said, however, that such cases as have just been mentioned are relatively few in number. When people on relief refuse jobs, the wages offered them are usually disgracefully low.



—WPA Photo

WORK FOR ADULTS

Group of men employed on a WPA sewer construction project in Portsmouth, Ohio.

SOMETHING TO THINK ABOUT

1. Why are strikes generally more prevalent during times of recovery than during depressions?
2. Do you think the C. I. O. is justified in threatening the recovery movement by calling a strike in the automobile industry?
3. What, precisely, are the issues at stake in the automobile controversy?
4. Do you think the President should be given discretionary power in applying the neutrality law?
5. Would you favor a change in the present law that would permit the United States to assist the democratic countries in case they were at war with dictatorships?
6. What is meant by the "cash and carry" plan of neutrality and what advantages do its supporters claim for it?
7. What significance do you attach to the fact that Senator Robinson of Arkansas has come out in favor of a constitutional amendment?
8. What changes, if any, would you make in the present method of handling relief?
9. Do you think the Japanese have any justification for their assertion that they did the same thing in Manchuria that the United States did in Texas and California?
10. How do you interpret Germany's aggressive stand toward Spain during the last few days?

Industrial Skies Darkened by Growing Wave of Serious Strikes

(Concluded from page 1)

skilled, with all the workers in each industry organized into a single union. They think that such a mighty force of workers could compel employers to pay higher wages. They see the possibility of a rising standard of living throughout the nation. They hold that, in the long run, this would be a good thing for business as well as labor, since it would add to the purchasing power of the masses. The people could then buy as much as they produced and manufacturers could sell all their output. This would prevent periods of surplus, with the resultant closing down of factories and consequent depression.

To employers the attempt of the C. I. O. to develop a mass movement of American workers suggests a very different picture. The business leaders look upon it as an attempt by labor to gain the upper hand and to coerce employers into granting impossibly high wages. They think that the Lewis forces are trying to gain control of

the General Motors Company consult the officials of the A. W. U. and come to terms with them about wages and working conditions. The demand may be extended to other automobile companies, and if it succeeds in the automobile industry, a like demand will be pressed in other great industries, such as steel, rubber, and oil. That is why the General Motors strike is considered so significant; that, in addition to the immediate effect upon auto production and upon the demand of the auto plants for raw materials.

Long-Range Problem

As this issue of THE AMERICAN OBSERVER goes to press, the outcome of the trouble in the General Motors plants is uncertain. Things are happening every day and the situation changes quickly. The strike may be settled by the time this paper reaches its readers, or it may have spread to other companies. But however that may be, the issues are fundamental and are representative of the issues in many other labor disputes. It is worth while, therefore, to understand the vital points of the automobile industry dispute. It is to be understood, primarily, as a contest between a mass movement of workers represented by the C. I. O. and employers determined to check that challenging organization. The contest is really one over the recognition by the employers of the union.

The General Motors Company refuses to deal with the A. W. U. It offers a plan whereby each of the 69 General Motors plants will negotiate with labor officials representing the employees of that particular plant. Each plant will deal with the A. W. U. representatives within the plant. But the central headquarters' office will not negotiate with the officers of the A. W. U. for the purposes of establishing uniform wage rates and working conditions among all the employees of the General Motors Company. The A. W. U. will not accept that plan. They feel that their strength is in united action. They say that the Detroit headquarters of the company is the central policy-making body of the company. It controls all the plants. If the company is united, and yet deals separately with 69 different labor committees, the labor representatives will be at a disadvantage.

Other issues are, however, at stake. The workers are demanding higher wages. The head of the A. W. U. declares that 80 per cent of all the workers get less than \$1,200 a year. The wage per day is not so bad, but the work is unsteady. Many of the workers are unemployed for half the time, when automobile production runs rather low. Company officials reply that wages in

the automobile industry are high in comparison with wages elsewhere. They point to the fact that, according to the United States Department of Commerce, the average hourly wage in the automobile industry is 20 per cent higher than in the manufacturing industries as a whole. The General Motors Company declares that it has raised wages several times in the last several years and that workers who are steadily employed receive, on the average, a wage of \$1,490 a year. The number employed has been raised greatly, the automobile companies having done a great deal to reduce unemployment.

Speed-up System

The union officials have other grievances. They say that the companies have resorted to the speed-up system to the extent of injuring the health of workers. They say that union officials should be consulted about the speed that is required along the assembly lines. They also protest that the company has a way of discharging employees when they have been long enough in service to be entitled to high wages and other privileges. Young men are taken in the place of the older— young men who can be secured for lower wages. The union objects to this practice.

Probably these issues could be settled or compromised if the larger issue, that relating to the recognition of the union, could be met. But the company refuses to treat with the union officials. As this article is written, 35,000 General Motors laborers are out of work because of the strike.

This strike is taking a relatively new form; that is, new for this country. It has been known in France, but has only recently been tried out here. It is what is called a "sit-down" strike. The strikers do not leave the plants or the places where they have worked. They sit at their working places, thus making it practically impossible for strikebreakers to be brought in and put to work. This is illegal, for the workers are trespassing on the property of the company. They have no legal right in the plants if they are not working. But regardless of legality, the strikers are there. A federal court sitting at Flint, Michigan, has issued an injunction ordering them to leave, but no steps have been taken to give effect to the court's decree by forcibly removing them.

Why, it may be asked, is the government not taking action to check this labor disturbance? Certainly the public is deeply concerned. If the trouble spreads, it will seriously cripple the recovery movement. It might be expected, then, that the government would act and act quickly. Just what



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"THE STRIKES WHICH HAVE BROKEN OUT ARE THE RESULT OF 'EMPLOYER TROUBLE' " So says John L. Lewis, head of the CIO, who is directing the drive for industrial unionism.

the government could do, however, is not very clear. The National Labor Relations Board was established for the purpose of dealing with such cases. But its constitutionality is questioned, and until that matter is cleared up, the board cannot act decisively.

Role of Government

The National Labor Relations Board is authorized to step in where there is a dispute in industry over the recognition of a union. If there is a question about what union is entitled to represent the workers in an industry and to demand recognition by employers, the board holds an election among the employees in the industry and discovers by this election what a majority of the employees wish. If a majority of them choose to be represented by some certain union, the board orders the employees who recognize that union to negotiate with it about the wages and working conditions and other matters that might come up. If the employers refuse to obey this order, action is taken in the courts for the purpose of compelling obedience.

The National Labor Relations Board has already taken action in a number of cases and has either stopped or prevented strikes. It has been challenged, however, on the ground of its constitutionality, and in a test case, an employer has secured an injunction preventing the execution of the board's order on the ground that the action establishing the board is unconstitutional. Until the constitutionality of this act is settled, it is possible for any employer wishing to hold up the board's action to secure long delays. The workers in the automobile industry know that if they called upon the National Labor Relations Board to force the automobile companies to recognize the union, there would be months of delay. Hence they have decided not to wait but to take things into their own hands and bring about recognition by forceful action. Under the law as it stands, the board cannot step in unless asked to do so. There is a possibility, however, that the government of the state of Michigan will act as a mediator.

It may be anticipated that President Roosevelt will bring about a settlement if he possibly can, first, because he is interested in the welfare of workers and is determined to secure higher wages and better conditions for them, and, second, because he is anxious to avoid a breakdown of the recovery movement.

Whatever action the government may or may not take in this dispute, it is certain that John L. Lewis and the workers who look to him for leadership will move forward in their attempt to organize a powerful American labor movement along the lines suggested by the C. I. O.



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STRIKERS MUST EAT

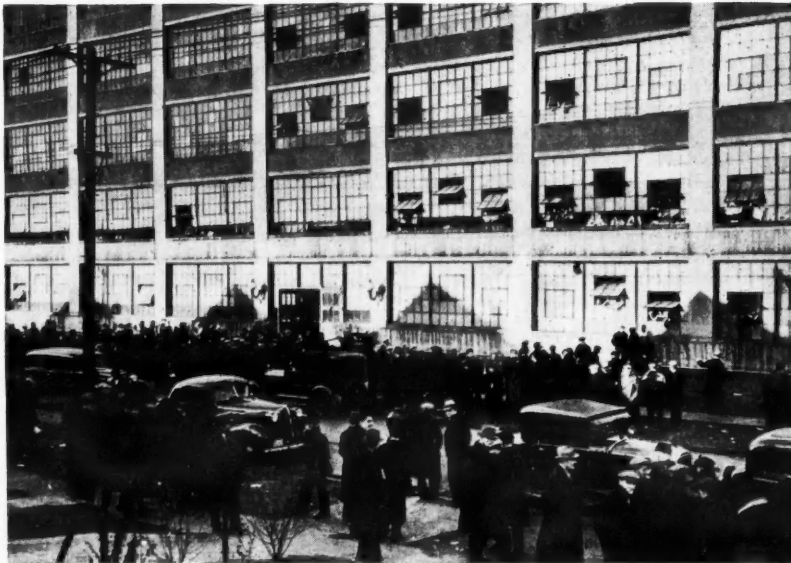
Food is hauled up to nourish strikers who, using the new technique, do not "walk out" but "sit down" on their jobs.

industry, and that if the effort were successful the workers would make such unreasonable demands as to take the profit out of business. They feel that the labor demands would check or destroy all hope of national prosperity.

It is easy to see how hard it will be for contending forces which hold to such opposite views to come to compromises. The C. I. O. is trying to organize a number of big industries as a first step in developing their movement, and the employers are fighting them to the bitter end.

Present Dispute

Such is the background of the dispute in the automobile industry. The Automobile Workers Union of America (A. W. U.), a member union of the C. I. O., has been seeking to organize more and more laborers in the motor industry. It has enlisted about 100,000 members. Now it insists that the companies recognize this union and deal with it. By this demand it means that the automobile manufacturing firms should accept the A. W. U. as the representative of the employees, that they should negotiate with the A. W. U. officials about wages and working conditions, and that they should sign contracts with these officials prescribing the wages and conditions which shall prevail among all the company's workers. The union has presented its demands to the General Motors Company, the huge concern which manufactures the Chevrolet, Pontiac, Oldsmobile, LaSalle, Buick, and Cadillac; which does half the automobile manufacturing of the nation. This company employs 165,000 manual laborers and 40,000 clerical workers. It has 69 plants in 35 different states. The C. I. O. insists that its organization, the A. W. U., be recognized as the official representative of these workers, and that



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STRIKE IN RANKS OF AUTO LABOR

The Cleveland plant of the Fisher Body Company, which furnishes automobile bodies for General Motors cars, where a sit-down strike broke out a few days ago.